



“Going to the Root of the Problem – Redesigning Your Approach to Managing the Annual Maintenance Process”

**2004 Facilities and Asset Management Conference
“Stewardship of Federal Assets – United Commitment to Excellence”
Orlando Florida
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Presentation Outline

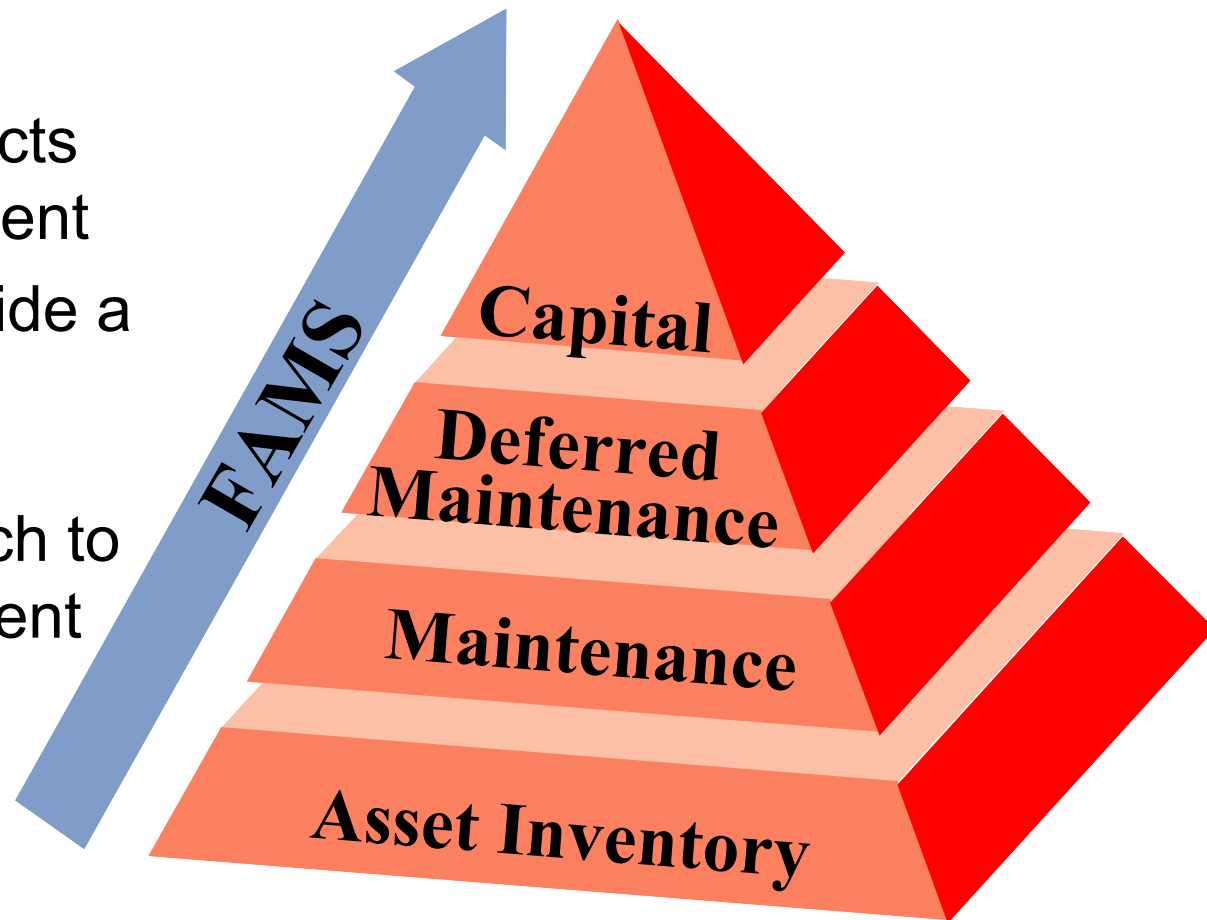
- **Overview** – BLM “*Stewardship Strategy*”
- **Background** – BLM Portfolio
- **Objective** – Performance-Based Annual Maintenance Budget Process
- **Approach** – Process Redesign
- **Performance Metrics** – Internal and External
- **Challenges and Lessons Learned**
- **Summary**





Overview - BLM “Stewardship Strategy”

- Strategic approach to asset stewardship
- Integrates all aspects of asset management
- Developed to provide a **Reasonable, Consistent, and Auditable** approach to Facility Management





Background – BLM Portfolio

- Annual Maintenance planning is designed to provide for consistent Life-Cycle Management of the Bureau's assets which include:

- ▶ 82,000 miles of roadways
- ▶ 2,100 Recreation Sites
- ▶ 700 Administrative Sites
- ▶ 800 Dams
- ▶ 900 Bridges





Background –Annual Maintenance Redesign

● Drivers

- ▶ President's Management Agenda (PMA)
 - Budget and Performance Integration, i.e., linking funding to performance
 - Must “show” not just “say”
- ▶ OMB and DOI need to “see”
 - Baseline Condition Assessments
 - Management System, i.e., FAMS (Facility Asset Management System)
 - Performance Measures, e.g., Facility Condition Index (FCI) in DOI's Strategic Plan





Background –Annual Maintenance Redesign

- ▶ Clinger-Cohen Act (CCA)
 - Capital Planning and Investment Control (CPIC)
- ▶ Statement of Federal Financial Accounting Standards (SFFAS) reporting requirements
- ▶ GAO's High Risk Series dated January 2003
 - Federal Real Property (GAO-03-122)
- ▶ GPRA
 - Asst Sec'y Lynn Scarlett's January 2003 memo on performance data credibility
- ▶ EO 13327, Federal Real Property Asset Management dated February 6, 2004





Annual Maintenance Redesign

CCA

PMA

GPRA

GAO

Performance Measures (PM)

Planning/Budget

**Capital
Improvement (CI)**

**Deferred
Maintenance (DM)**





Annual Maintenance Redesign

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**Annual
Maintenance
(AM)**

**Deferred
Maintenance (DM)**

Annual Maintenance Process Redesign





Objective – Redesign the Annual Maintenance Process

- Define existing annual maintenance business process
- Redesign process to:
 - ▶ Improve Accountability
 - ▶ Eliminate Deferred Maintenance Backlog
 - ▶ Quantify Annual Maintenance Cost
 - ▶ Increase Credibility
 - ▶ Ensure Consistency
 - ▶ Simplify Process for Customers





Approach – BLM Redesign Team

- Establish Redesigned Team
 - ▶ Representatives from field and state offices and Washington Office representing Engineering, Property, Fire, Recreation, Information Technology and Budget
- Chartered in March 2002
 - ▶ Met March, April, and May 2002
 - ▶ Sponsored by an Executive Advisory Board





Approach – Identify Issues for Resolution

- GAO, DOI, IG and others have identified:
 - ▶ Escalating Deferred Maintenance Backlog
 - ▶ Lack of Baseline Condition Assessments
 - ▶ Lack of Meaningful Performance Measures
 - ▶ Poorly Articulated AM Process
 - ▶ Difficulty in Formulating AM Budget
 - ▶ Lack of a Core Facility Asset Management System (FAMS)





Approach – Getting to the “Root” of the Problem

- Issues identified symptoms but not the “Root Problem”
- Real Issue:
 - ▶ **“The lack of a well-defined and effective annual maintenance management process that addresses the entire asset life cycle.”**





Approach - The Redesign

- Team's Premise:

“It is apparent that BLM, or for that matter any organization, cannot manage what they cannot accurately measure.”
- Bottom Line:
 - ▶ Having credible data to tell the story





Conclusions

- Accurate information is unavailable
- Data does not exist to validate perception that facilities are in good condition
- Annual maintenance funding is inadequate, yet justification for more funding is not advocated nor supported
- Performance metrics are inadequate





Conclusions

- **Credible answers are not available for the following questions:**
 - ▶ What funding is needed to maintain facilities at correct level?
 - ▶ Were dollars spent on what was identified as need (i.e., was there efficiency)?
 - ▶ What are the consequences of inadequate funding for annual maintenance?





Recommendations

● Leadership

- ▶ Opportunities to brief all levels of leadership
- ▶ Spearhead refocusing on annual maintenance
- ▶ Leadership at all levels actively support initiatives underway (e.g., CA, MAXIMO)

● Business Process

- ▶ Establish Asset Priority Index for each asset
- ▶ Identify/apply operation and maintenance cost factors
- ▶ Establish a BLM Facility Management Forum
- ▶ Establish National Review Process





Recommendations

● Data Credibility

- ▶ Implement MAXIMO as FAMS
- ▶ Single data entry
- ▶ Validate BLM real property inventory

● Subsequent Reengineering Efforts

- ▶ Cost modeling
- ▶ Condition of new acquisition
- ▶ Integrate new construction with maintenance
- ▶ Review real property inventory for decommissioning
- ▶ Linkages of life cycle maintenance





Annual Maintenance Redesign

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Performance Measures (PM)

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FAMS

Annual
Maintenance
(AM)

Annual Maintenance Process Redesign
CONDITION ASSESSMENT





Performance Metrics

- Internal
 - ▶ Maintenance Standards
 - ▶ Unit Cost Factors (Maintenance Cost/Square Foot)
- External
 - ▶ Facility Condition Index (FCI)
 - ▶ Maintenance Needs Planned versus Accomplished





Challenges and Lessons Learned

● Challenges

- ▶ Integration of efforts
- ▶ Refocus on annual maintenance
- ▶ Formalizing BLM business processes
- ▶ **Changing culture**

● Lessons Learned

- ▶ Have to change the annual maintenance process to make progress on deferred maintenance
- ▶ Team members are best suited to lead change
- ▶ Redesign process is a great way to “bring the pieces together”





Annual Maintenance Redesign Status

- Briefed Leadership
- Initiatives Underway are Critical
 - ▶ Comprehensive Baseline Condition Assessments for Rec/Admin Sites
 - ▶ Annual Maintenance Unit Cost Factors
 - ▶ Location Adjustment Multipliers
 - ▶ Full Cost Analysis for Annual Maintenance
 - ▶ FAMS Implementation
 - ▶ Formalization of BLM Business Rules





Summary

- Maintenance World - Extremely Complex
- Need to Refocus on Annual Maintenance
- Need a National Story with Credible Data
- Need to Continually Educate as well as Market the Redesign Effort



Reasonable, Consistent, and Auditable



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